



HARRY HUGHES  
GOVERNOR

STATE OF MARYLAND  
EXECUTIVE DEPARTMENT  
COMMISSION ON COMPENSATION AND PERSONNEL POLICIES  
C/O DEPARTMENT OF PERSONNEL  
301 WEST PRESTON STREET, ROOM 602  
BALTIMORE, MARYLAND 21201

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March 25, 1986



The Honorable Harry Hughes  
Governor  
Executive Department  
State House  
Annapolis, Maryland 21404

MEMBERS

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HONORABLE NANCY K. KOPP  
HONORABLE LAURENCE LEVITAN  
HONORABLE CHARLES J. RYAN  
HONORABLE H. LOUIS STETTLER, III  
HONORABLE JOHN F. X. O'BRIEN

Dear Governor Hughes:

The Commission on Compensation and Personnel Policies, using the services of Booz-Allen and Hamilton, Inc., has completed an assessment of the comparable worth situation in Maryland State employment. We are pleased to submit to you at this time a copy of the consultant's final report, as well as the conclusions and recommendations of the Commission.

In the course of overseeing our contract with the consultant, we conducted public hearings during which proponents and opponents were given the opportunity to comment regarding the issue of comparable worth and the specific findings and recommendations of the consultant. Their concerns and comments were given particular attention as we developed our recommendations.

Initially, the Commission directed the consultant to analyze the valuation of female-dominated jobs based on annual salaries. Subsequently, the Commission directed the consultant to perform the same analysis taking into consideration the variations in the length of the workweek; i.e., some employees work 35.5 hours per week while others work 40 hours per week.

Based on annual salaries only, the consultant demonstrated that gender was a small, but statistically significant, variable for predicting salaries. Said another way, female-dominated classifications tended to be undervalued compared to male-dominated classifications; the amount of variation in salaries between male and female-dominated classes of equal point value or "worth" was small, but statistically significant. The racial composition of a classification had no statistically significant impact on salary among those classifications studied.

When the relationship between the annual salary and the length of the workweek is taken into consideration, i.e., adjusting salaries to a standard 40-hours per week, the analysis shows no statistically

significant difference between the salaries of male and female-dominated classes. In fact, an analysis shows that for pay levels below \$18,647, female-dominated classes have higher salaries than male-dominated classes of equal point value whereas at salaries above \$18,647 the reverse was found to exist.

The Commission's findings suggest that, while it may not be necessary to take immediate action, the State should address, in addition to the issue of comparable worth, a number of other compensation-related concerns that we have examined over the course of our seven-year history. We believe that such a broad approach is in the interest of all State employees.

Consequently, the Commission on Compensation and Personnel Policies recommends the implementation of the attached plan of action. Further details regarding these recommendations and their implementation are contained in the consultant's report. The Commission suggests that the Department of Personnel be directed to implement these recommendations.

Finally, as our work comes to an end, the members of this Commission wish to thank you on behalf of all State employees for your encouragement and commitment to this effort. We hope that the many reports, evaluations and studies resulting from our work will prove to be useful in the future in structuring compensation policies for State employees.

Sincerely,

A handwritten signature in cursive script that reads "H. L. Stettler, III". The signature is written in dark ink and is positioned above the typed name of the signatory.

H. L. Stettler, III  
Acting Chair

Jereleigh Archer  
Charles Costa  
John Hargreaves  
William Amoss  
Laurence Levitan  
Nancy Kopp  
Charles Ryan  
John F. X. O'Brien

RECOMMENDATIONS OF GOVERNOR'S COMMISSION  
on COMPENSATION and PERSONNEL POLICIES

1. The State should adopt a goal of attaining and maintaining both competitiveness in the marketplace and internal equity in its compensation system.

The Commission, in an earlier report, recognized that the State needs to maintain its compensation rates at levels which are competitive in the marketplace. Maintaining internal equity is equally important. The Commission has formulated this recommendation in terms of adopting a goal since we recognize that financial limitations or operational needs can preclude attainment of either or both goals in any one year. Nevertheless, the State should attempt to attain and maintain both competitiveness in the marketplace and internal equity in its compensation system despite unavoidable deviations in any particular year.

In addition, the State should strengthen its current procedures in estimating market pay levels by including more sources generally, as well as more sources that are specific to certain job categories.

2. The State should adopt a point factor job evaluation methodology as a guide in establishing compensation levels.

The Commission finds that a point factor job evaluation methodology is a relatively objective and rational method for establishing relative pay levels, a methodology which assists in resolving a number of compensation issues in addition to "comparable worth." This methodology cannot be emplaced mechanistically, i.e., a dollar amount per point without exception, because quirks in the job market must be accommodated. The present exceptional scarcity of data processing programmers is one such example.

The Department of Personnel estimates that it will require three to four years and approximately one-half million dollars to develop such a methodology, train State staff in its use, and evaluate State jobs. The cost cited above does not include the cost of implementation.

3. The State should continue to use the Annual Salary Review process to attain and maintain competitiveness and internal equity in its compensation system.

As a pragmatic matter the Commission recognizes that no other process could be available while a point factor

job evaluation methodology is being developed and State staff trained in its use. In addition, the Commission recognizes that the Annual Salary Review is neither a goal nor an objective in and of itself, but that it is only a process, albeit a process which has proven to be an effective means for making fundamental improvements to State compensation rates. In the final analysis it will lend itself well toward the development of a continuing methodology.

4. The State should minimize gender domination in its classifications. Means to this end should include removal of artificial barriers to employment, examination of recruitment procedures, use of training and individual development programs, and such other means as may be effective.

The Commission recognizes that the concentration of women in relatively low-paying secretarial and clerical classifications is one of the principal reasons for the fact that the average salary for women in Maryland State Government is less than the average salary for men. However the Commission also acknowledges that, with the introduction of a point factor job evaluation methodology, secretarial and clerical classifications, even when fairly valued, will remain relatively low paid. There is, therefore, need to facilitate as much upward mobility as possible and to eliminate absolutely all artificial barriers and impediments to this movement.